



Republican Policy Committee

Don Nickles, Chairman Doug Badger, Staff Director 347 Russell Senate Office Building (202)224-2946

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Rhetoric vs. Reality

Clinton's Budget: On Balance It Doesn't!

President Abraham Lincoln was said to note: "You may fool all the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time." President Clinton with his continued claims of having a plan that balances the budget in ten years is seeking to refute Lincoln's aphorism. The President evidently believes that if you say something long enough it will be taken as the truth. **In fact according to the impartial, non-partisan Congressional Budget Office (CBO), President Clinton has proposed two budgets this year that not only do not balance, but actually increase the deficit.**

According to the CBO that he once praised for its credibility, but now ignores for its honesty, the Republican budget will balance in seven years and his never will. In an analysis of the President's most recent budget ("Clinton II") which was offered on June 13, 1995, the CBO concluded: **"Even if some allowance were made for lower interest rates, the projected deficits under the President's June budget would likely remain near \$200 billion through 2005"**[June 16, 1995]. That is, it doesn't balance — not in seven years, not in ten, not ever.

Clinton Can't Fool All of the People All the Time

CBO Deficit Estimate (billions of dollars)

<u>Year</u>	<u>Clinton I Deficits</u>	<u>Clinton II Deficits</u>	<u>Congress' Budget</u>
1995	\$177	n.a.	\$175
1996	211	\$196	170
1997	232	212	152
1998	231	199	116
1999	256	213	100
2000	276	220	81
2001	n.a.	211	33
2002	n.a.	210	(6)
2003	n.a.	207	n.a.
2004	n.a.	209	n.a.
2005	n.a.	209	n.a.

Clinton Can Fool All the People Some of the Time

Then

In President Clinton's 1993 State of the Union address, he explained to Congress why he used CBO numbers to score his 1994 budget proposal:

"I did this so that we could argue about priorities with the same set of numbers. I did this so that no one could say I was estimating my way out of this difficulty. I did this because if we can agree together on the most prudent revenues we're likely to get if the recovery stays and we do the right things economically, then it will turn out better for the American people than we say. In the last 12 years, because there were differences over revenue estimates, you and I know that both parties were given greater elbow room for irresponsibility. Let's at least argue about the same set of numbers so the American people will think we're shooting straight with them."[Address Before a Joint Session of Congress on Administration Goals, February 17, 1993, Weekly Compilation of Presidential Documents; emphasis added]

And Now

When President Clinton abandoned CBO as his arbiter he also abandoned his claim to credibility — even within his own party:

*"We will come to whatever accommodation there are to ensure that CBO is the final arbiter on the numbers . . ." [Senate Minority Leader Tom Daschle on NBC's *Meet the Press*, 6/25/95, and reported in the *Washington Times*, 6/26/95]*

*"Every president ought to say we should use the CBO numbers . . . He needs to get back to the CBO numbers . . . [Democrat Senator Bob Kerrey of Nebraska as reported in the *Washington Times*, 6/25/95]*

Clinton Can Fool Some of the People All the Time

President Clinton has tried to keep up his fiscal farce by inviting congressional leaders to work with him on his so-called "balanced" budget: "I invite Senators and Members of Congress from both parties to join me in balancing the budget while protecting our common ground. I will work hard to get their support, but if they refuse, I must act alone if necessary." [*Washington Post*, 7/25/95]

Unfortunately, the President's latest strategy of claiming he has produced a balanced budget, without ever having to actually produce one, seems to be working with some:

"... a kinder gentler balance-the-budget plan . . ." Wall Street Journal, 7/25/95.

"... his plan to balance the budget over a decade ..." *New York Times*, 7/25/95.

"... a surprise plan that would balance the budget in ten years ..." *Washington Times*, 7/24/95.

On July 19, 1995, the *Washington Post* published a Post-ABC News survey of the electorate that referenced the phantom "balanced" budget and found that "45 percent of those interviewed said they supported the plan by Republicans to balance the federal budget in seven years while 42 percent said they favored Clinton's plan that would balance the budget in ten years."

It would be interesting to know what the poll results would have been had the question been properly asked — "Do you favor the President's ten-year budget which results in \$200 billion deficits after ten years?"

To see through the President's fiscal facade, America must keep in mind one simple fact—President Clinton in the two budgets of the 103d Congress, and in two attempts during the 104th Congress, has **never** produced any plan to balance the budget and has opposed every effort to do so.

The Bottom Line

When it comes to budgets, the bottom line says it all, and what it says about the President and his budgets is not good.

According to CBO, both budgets President Clinton has offered this year do not reach balance — not in five, not in ten, not in any year in between or in any year thereafter. Also according to CBO, both budgets President Clinton has offered this year actually **increase the deficit**. CBO estimated:

- in March that the current deficit was \$175 billion;
- that President Clinton's first budget this year would leave a deficit of \$276 billion in 2000;
- that President Clinton's second budget this year would leave a deficit of \$209 billion in 2005, its target for balance;
- that the budget just passed by Congress will actually produce a \$6 billion surplus in 2002, its target date for balance; and
- that President Clinton's second budget this year would leave a deficit of \$210 billion in 2002, when Congress' budget will be balanced.

Not only does the President not have a plan to balance the budget, he promises to stand in the way of efforts to achieve one:

- he has opposed every balanced budget amendment since becoming president;
- he has opposed every effort to balance the budget;
- he opposes the current budget that will balance the budget in seven years;
- he is threatening to veto the spending bills that try to implement the savings necessary to balance the budget; and
- thus, his action will shut down the government rather than to allow the budget to be balanced.

President Lincoln, Meet President Clinton

As President Lincoln knew over a hundred years ago, saying it's so doesn't make it so. Never the less, President Clinton keeps right on saying what the American people want to hear with his false claims about a balanced budget. He is agreeing that:

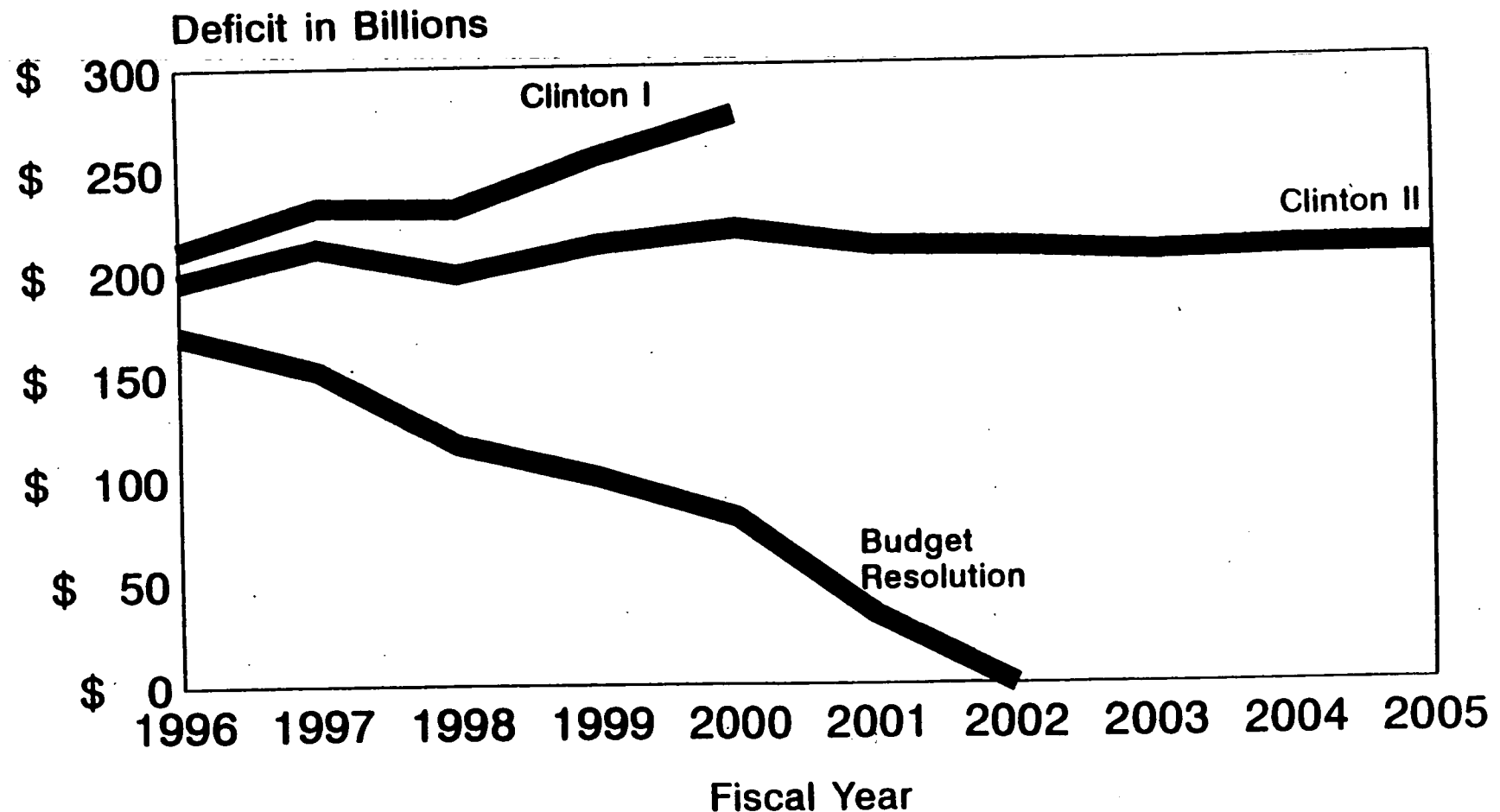
- the federal budget can and should be balanced by a definite date;
- the federal budget can be balanced without additional taxes;
- the federal tax burden can and should be cut; and
- the federal deficit can be eliminated entirely by reducing the growth of federal spending.

The only thing he can't agree with is actually doing it.

Staff Contact: J.T. Young, 224-2946
RPC Staffer Matthew Kirk contributed to this report.

Clinton Budgets Don't Balance

Deficit Projections Under Administration's
Two Budgets and Budget Resolution



Sources: CBO, Senate Budget Committee